(b) if so, the details thereof and the reasons therefor;

(c) whether it is a fact that there has been opposition to this move from workers' Unions of the various Defence Production units in the Public Sector and also from same Defence analysis experts including the Institute of Defence Studies and Analysis (IDSA); and

(d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Yes, Sir. Government have opened the defence industry sector up to 100% for private sector participation with FDI permissible up to 26%, both subject to licensing and security requirements. The decision is aimed at harnessing capital, knowledge and technology available in the private sector to supplement Government's effort towards attaining self reliance in this highly sensitive sector.

(c) Three recognised Federations and their affiliated Trade Unions of Defence Civilian Employees in Ordnance Factories have expressed their reservations on this decision. The decision for private sector participation in defence industry sector was based on the recommendations of the Task Force on Management of Defence, which is also approved by the Group of Ministers on National Security, and the Government.

(d) Government have entered into a dialogue with the three Federations to allay their apprehensions from staff and security angle.

Impact of privatisation of Defence Sector on national security

1720. DR. Y. RADHAKRISHNA MURTY:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether Government have decided to open up defence production sector to private industries;

(b) if so, whether criticism have been made on the announcement of such a decision by various political parties and others;

(c) if so, the reaction of the Government thereto;

(d) whether the opening of Defence production sector to private sector

and MNCs would have any adverse impact on the security and safety of the country; and

(e) if so, the further reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) Yes, Sir.

(b) Three recognised Federations and their affiliated Trade Unions of Defence Civilian Employees of Ordnance Factories have expressed their reservation on this. The three recognised Federations, *viz.*, All India Defence Employees Federation, Indian National Defence Workers' Federation and Bhartiya Partiraksha Mazdoor Sangh formed a Joint Action Committee and proposed to go on strike on 23 and 24 July 2001 in protest of the Government decision.

(c) The Government have entered into a dialogue with the representatives of the Federations to allay their apprehensions from staff and security angle. The Joint Action Committee have since decided to postpone their strike.

(d) and (e) No. Sir. The opening up of defence industry to private sector participation is subject to both licensing and security requirements through an institutional mechanism to regulate licensing, manufacture and sale of defence equipment.

Blocking of imports from China

1721. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether China had objected to Government's blocking of imports from China and has taken strong exception to labelling it as a "non-market economy"

(b) if so, the details thereof; and

(c) the manner in which the issues involved have been resolved?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) to (c) Notification No. 28/2001-NT-Customs dated 31.05.2001 has been issued by the Department of Revenue to amend the Customs Tariff (Identification, Assessment and Collection of Anti-